

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: Ken A. Hugos

)
)
)
FILE NO. 1000410

CONSENT ORDER OF WITHDRAWAL

TO THE RESPONDENT: Ken A. Hugos
(CRD#: 1003521)
3030 E. Fremont Road
Phoenix, Arizona 85042

Ken A. Hugos
(CRD#: 1003521)
C/o Stifel, Nicolaus & Company, Inc.
501 North Broadway
St. Louis, Missouri 63102

Ken A. Hugos
C/o Lisa A. Nielsen
Greensfelder, Hemker & Gale, P.C.
2000 Equitable Building
10 South Broadway Suite 2000
St. Louis, Missouri 63102

WHEREAS, Respondent on the 24th day of May 2011 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated December 10, 2010 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

Consent Order of Withdrawal

2

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on September 30, 2010 FINRA accepted a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No 2008016344401, which sanctioned the Respondent as follows:
 - a. twenty business-day suspension from association with any FINRA member in any capacity; and
 - b. \$10,000.00 fine.
3. That the AWC found:

FACTS AND VIOLATIVE CONDUCT

a. Unauthorized Transactions

On or about July 10, 2008, the Respondent executed two transactions in customer KH's account, without her knowledge or consent. The two transactions included:

- i) the sale of 1,210 shares of Capital Source; and,
- ii) the purchase of 1,210 shares of Gramercy Capital.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110.

b. Settling Away

On or about July 25, 2008, customer KH complained to the Respondent regarding the Capital Source and Gramercy Capital transactions. The respondent settled the complaint by personally reimbursing the customer \$353.55 for costs and commissions associated with the transactions. He did not report the complaint to his employer firm or seek the firm's approval to settle the matter.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110.

Consent Order of Withdrawal

3

4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
5. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

The Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of Five Hundred dollars (\$500.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of Five Hundred dollars (\$500.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

Consent Order of Withdrawal

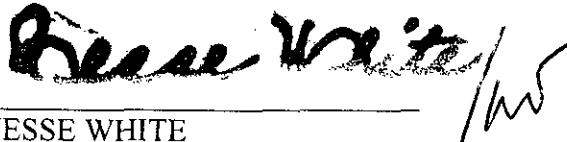
4

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. The Respondent is levied costs of investigation in this matter in the amount of Five Hundred dollars (\$500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on May 31, 2011 has submitted Five Hundred dollars (\$500.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This day 31st.of May 2011.



JESSE WHITE
Secretary of State
State of Illinois

Daniel A. Tunick
Enforcement Attorney
Illinois Securities Department
Office of Secretary of State
69 West Washington St.- Suite 1220
Chicago, IL 60602
Telephone: 312.793.4433
Facsimile: 312.793.1202